

DEPARTMENT OF STATE REVENUE

LETTER OF FINDINGS NUMBER: 98-0435P

Sales and Use Tax

Calendar Years 1994, 1995, and 1996

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ISSUE(S)

I. **Tax Administration** – Penalty

Authority: IC 6-8.1-10-2.1(d); 45 IAC 15-11-2

Taxpayer protests the penalty assessed.

STATEMENT OF FACTS

Taxpayer, in a letter dated July 24, 1998 protested the penalty assessed in an audit completed on May 11, 1998.

I. **Tax Administration** – Penalty

DISCUSSION

At issue is whether the taxpayer was negligent when it failed to accrue and remit use tax. Taxpayer states the actions that gave rise to the additional amounts due was an honest oversight on their part and were unintended.

Taxpayer was assessed a ten percent (10%) penalty because it had no use tax accrual system in place and failed to self-assess use tax on clearly taxable items. Taxpayer filed quarterly ST103's but failed to remit use tax on those forms.

Taxpayer did not show reasonable cause for failing to self assess and remit tax.

FINDING

The taxpayer's protest is denied.